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DEPARTMENT
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TREASURY DEPARTMENT
BUREAU OF CUSTOMS
INVESTIGATIVE UNIT
TREASURY ATTACHÉ
CARE OF AMERICAN CONSUL

SHANGHAI, CHINA

April 15, 1937.

Commissioner of Customs,
(Investigative Unit),
Treasury Department,
Washington, D. C.

See 4-14-37

Sir:

There are enclosed for the information of the Bureau
and other Interested Departments copies of a report entitled:
"Side Lights of Japanese Drug Trade in Fukien."

Respectfully,

M. C. Nicholson

Treasury Attache

MRN.GW

Enc.

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Shanghai, April 14, 1937.

SIDE LIGHTS OF JAPANESE DRUG TRADE IN FUKIEN

Japanese are trying hard to narcotize Fukien. In almost every town and village of this province there are Japanese ronin or their agents selling various kinds of narcotic drugs. A study of the drug conditions in Foochow and Amoy will show to what extent Japanese narcotization policy is now menacing Fukien.

Nantai (江口) is the commercial center of Foochow. Off the wide streets in this part there are many small lanes in which Japanese and Formosan drug dens are centered. In front of every den hangs a signboard with the following words: "So and so shop under Japanese management." Below the signboard there are advertising bills reading "The opium den upstairs is now open to business. Our opium tastes good and sells cheap. Please have a try." Talking in these

lans, you see an opium den every block. Another advertisement reads more strangely as follows: "Superior Persian opium prepared by high class opium expert at the price of \$0.10 per mace (one-tenth of a tael). Beautiful girls serving as waitresses." In all of these dens heroin and morphine are sold besides opium.

In Amoy the situation is even worse. There are three Japanese "hongs" which deal exclusively in narcotic drugs. The monthly volume of business is learned to exceed \$350,000. As to the opium dens, the number is indeed appalling. Official figures place it at only three hundred, but the real number must be two times greater. Over \$5,000,000 of business is done annually by these opium-owning opium dens.

~~Recently owing to the strict search for drug smokers in the Chinese opium dens, the business of the Japanese dens has been tremendously increased and they are beyond the legal reach of the Chinese authorities.~~

As a result of continued negotiations and representations made by the Chinese authorities to Japanese consuls in Amoy and Foochow, some of the opium shops and smoking dens were closed, as was reported in previous memoranda. It has been learned recently that most of them have changed into pawn shops and money lending shops which are conducted regardless of Chinese laws and regulations by lending money to poor people at exorbitant interest rates.

Mr. Paul Yap (葉清和), a naturalized Japanese subject and owner of the Yu Ming Opium Company (裕明洋行有限公司) and commonly known as the "Opium King" of Fukien, has been a smuggler of opium for a long

time. Another recent case of his smuggling has just come to light. On March 16th as soon as an automobile hired by the Yu Ming Company stopped in front of the gate of same, some inspectors of the Yung Cheng Opium Firm (永利 + 昌行) came forward to make a search as they had received advance information that four tins of contraband prepared opium were in the automobile, but the Yu Ming men in the car refused to be searched and ordered the contraband to be carried inside. As a result of this, the inspectors tried to take the prepared opium by force and a fight ensued. Finally a large quantity of opium was seized by the inspectors, some of whom were wounded.